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USDOC FOR 532/OEA/LHINES/ADYSON
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: ROTTER INTERNATIONAL
LIMITED

REF: A) USDOC 03396 B) D397077

11. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO), conducted a pre-license check (PLC) at Rotter International Limited, 1019 Hopesea Industrial Centre, 26 Lam Hing Street, Hong Kong (Rotter). The purpose of the visit was to determine the suitability of Rotter to be the ultimate consignee (but not end user) of various nylon restraint devices that are the subject of export license application D397077. The items, classified under Export Control Classification Number 0A982, are valued at USD \$800 and are controlled for crime control reasons (CC). The license applicant is Mae Group International of Upland, California.

13. According to the Hong Kong Companies Registry, Rotter was registered in 1995. Its share capital is the Hong Kong equivalent of USD 250,000. Hong Kong residents Man, Sau Kam, Wong, Siu Kei and Wong Siu Kwong are listed as directors. The registered office of the company matches the physical location of the company's premises.

14. A review of Rotter's web site (www.rotter.com.hk) reveals that the company is a trading company that specializes in personal protective equipment (helmets, hazmat suits, etc.) as well as law enforcement equipment (including body armor, police helmets, camouflage gear, search and surveillance equipment, among others). It has a mainland China affiliate office in Guangzhou named Magma OS and EH Limited.

15. On May 29, 2008, ECO and Commercial Assistant Carrie Chan visited the company and met with Mr. Keith Wong, Administration Manager. He provided a general overview of the company consistent with the information noted above and on the company's web site. He stated that Rotter is the authorized representative or sales agent of a range of U.S. and other manufacturers for a wide range of products. He stated that the Guangzhou affiliate office focuses primarily on personal protective equipment related products. He provided ECO with a catalogue of the company's products including its law enforcement products. That catalogue included body armor (including military assault armor), chemical protection suits, handcuffs, extendable batons and night vision equipment. When asked about the various products that would likely require a license for export from the United States, Mr. Wong stated that he was well aware of U.S. export controls and noted that Rotter has no sales of night vision equipment (too hard to obtain licenses) and no longer sells extendable batons. He stated that certain controlled products are also sourced from Europe and South Africa (the vests).

16. When asked about other co-located companies (Techflex International Ltd. and Techflex Trading), Mr. Wong explained that

these companies are only common tenants and their businesses are separate. He stated that Techflex provides fall arresting systems as well as general personal protective equipment.

17. As to the specific items in question, Mr. Wong provided ECO with the originals of several documents including an End-User statement (with stamp) signed by Ms. Angie Woo of the Hong Kong Police Department as well as a non-transfer and use certificate. Those documents provide that the Hong Kong Police Department is ordering 20 units of two types of restraints for testing purposes. Mr. Wong stated that a future order may be forthcoming but that the present order is only for sample purposes. Mr. Wong was well prepared with the applicable documentation and his statements and representations were credible.

18. In light of the nature of Rotter's product line, ECO provided Mr. Wong with a detailed explanation of the restrictions on reexport of crime control items to mainland China as well as the fact that many of Rotter's products are controlled for export and reexport. Mr. Wong was quite familiar with the applicable export controls and affirmed his past compliance and commitment to further compliance with those rules.

19. At this time, Rotter appears to be a suitable recipient of the subject controlled items since it cooperated with the PLC, provided appropriate records confirming the applicable order and affirmed its intent to comply with U.S. and Hong Kong export control laws. Nonetheless, given the company's mainland presence and its product mix, ECO recommends that any license (if granted) be linked to specific, verifiable, orders from appropriate end-users.

Cunningham